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view. It is of interest to note that a study of the Chinese text of the treaty of Nerchinsk, of 1689, fails to confirm the belief, which had been gaining acceptance of late, that extraterritoriality was introduced at that early date.

Although it would be quite impossible to present an exhaustive study of so extensive a subject in the space at his disposal, Dr. Koo has rendered no small service in indicating the lines to be followed by later scholars. His volume, however, contains no bibliography and a very inadequate index, while the fact that he could not see it through the press may account for the typographical errors noted from time to time.

P. J. TREAT.

A Comparative Study of the Law of Corporations, with Particular Reference to the Protection of Creditors and Shareholders. By ARTHUR K. KUHN. (New York: Columbia University, 1912. Pp. 173.)

This treatise grows out of the legislative research work conducted at Columbia University through the Legislation Drafting Association. The subject of its main study is the working of private corporations organized for profit; but this is prefaced by an examination of the genesis of the public and quasi public corporation.

Emphasis is placed on the evolution of the relations between the individual shareholder and the whole group, and the advance made in continental Europe in the eighteenth century (p. 42) by the issue of certificates of stock to bearer, which were transferable by delivery. The French code of commerce led off in this, but it was soon found necessary generally to allow transfers to bearer only of paid-up shares (pp. 58, 69). Spain admits it when the shares are half-paid (p. 95). The Napoleonic scheme followed by the German Code of Commerce allows a recall of directors (p. 56, 123). The Continental general incorporation laws disfavor beginning business until the entire capital is subscribed (p. 60). The first general railroad law was passed by Prussia in 1838 (p. 65). By the imperial code of commerce as it now stands, if any of the directors of a newly formed corporation are to pay for their shares in property, the legality of the organization must be specially certified by public authority (p. 73). This code provides for publicity, and guards against fraudulent management by heavy criminal punish-

ments (p. 80, 81). The English "Companies (Consolidation) Act" of 1908 has similar features.

The Italian general incorporation law requires the judgement of a court that the law has been fully complied with, before a corporation can be organized to do business (p. 89).

The foreign director is often chosen for a long term of years. In Switzerland the first board are elected for three years, and both there and in France, subsequent terms may run six years (pp. 117, 141).

Dr. Kuhn regards the French system of corporate administration worked out in 1867, as the most progressive then to be found in continental Europe (p. 120), though probably trusting too much to the thoroughness of the auditors, whose certificate, if given perfunctorily may serve to hide a multitude of sins.

Germany puts it up to the shareholders to approve the directors' accounts, and leaves to them the declaration of dividends, though they act after a recommendation by the supervising managers—a body with general oversight over the directors.

Her code requires action of the directors, in general, to be unanimous. In Switzerland, but not in Germany, directors can vote by proxy (pp 124–126).

The American policy, generally favored by substantial corporations, of accumulating a reserve fund, to draw on in lean years for dividends, is obligatory in Germany and Italy (pp. 128, 138.)

Italy forbids proxies from shareholders to directors (p. 125), and pursues the Massachusetts rule of forbidding the issue of bonds for more than the amount of the paid up capital (p. 137).

Dr. Kuhn disapproves of holding companies. He thinks well of proportional representation through the cumulative vote (p. 149), and urges legislation putting the direction of proceedings to wind up corporations elsewhere than in the hands of courts (p. 173). Most of his treatise, however, is devoted to the statement of facts, not opinions. His work will be helpful to the American legislator and economist, as a clear description of methods of corporate organization and control, obtaining in Southwestern Europe, which differ widely from those in use in the United States.

SIMEON E. BALDWIN.